

2008-2009 PERFORMANCE PLAN – Portfolio Manager, Alternative Investments (J. Greenwood)

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Quantitative Performance Measures

| Weight | Factor | Performance Measure | Incentive Schedule |
|--------|---|---|---|
| 70% | AIM Program Performance vs. AIM Benchmark | AIM portfolio investment performance ranking in the Venture Economics young fund universe for measured time period. Identifiers: Performance and benchmark compiled quarterly by Wilshire. | Top 50% = 0 (min) Top 40% = .75 (mid) Top 30% = 1.5 (max) |
| 70% | Subtotal | Quantitative Measures | |

Qualitative Performance Measures

| Weight | Factor | Performance Measure | Incentive Schedule |
|--------|----------------|--|--------------------|
| 15% | AIM Priorities | By June 30, 2009, work with SPM to develop enhanced tools to model risk, return, and correlation of sub-asset classes in AIM portfolio. <u>By March 31, 2009, create a new report on AIM's overall clean energy and technology investments. The report would be produced on a quarterly basis and include comprehensive information on AIM's overall cleantech exposure.</u> | From Schedule |

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Qualitative Performance Measures (cont.)

| Weight | Factor | Performance Measure | Incentive Schedule |
|--------|------------|---|--------------------|
| 15% | Leadership | <p>Demonstrate a commitment to leadership and ongoing communication within the Investment Office and in the external investment community as follows:</p> <ul style="list-style-type: none"> • Employee Performance and Development – By 6/30/09 ensure 90% completion rate for annual performance appraisals and employee development plans'. • Employee Mentoring and Recognition – By 6/30/09, take proactive steps to coach and mentor employees, provide succession planning, and acknowledge staff (e.g. through activities such as providing training and development opportunities, holding recognition events, and effectuating the transfer of knowledge) • 360 Feedback Process <ul style="list-style-type: none"> ▪ By 12/1/08 begin the individual 360 feedback survey assessment process. ▪ By 2/1/09 identify one to two areas of personal development. ▪ By 6/30/09, participate in all personal coaching sessions provided and complete the development opportunity identified. • Investment Office Strategic Initiatives and Cultural Alignment – Ensure the successful implementation of the strategy and cultural alignment efforts by completing the following: <ul style="list-style-type: none"> ▪ By 9/30/08, identify from our cultural profile an area in which we need to improve our culture and implement an improvement in my area by 3/30/09. ▪ By 12/31/08, participate in a cultural reinforcement session with the Investment Office. ▪ By 6/30/09, participate in the implementation of at least one Investment Office strategic initiative. ▪ By 6/30/09, contribute to healthy dynamics and cultural alignment in the Investment Office (e.g. by demonstrating productive participation in meetings, communicating across asset classes, and clearly setting and communicating priorities) • External Investment Community – By 6/30/09, represent CalPERS in the external investment community through a meaningful and substantive engagement as follows: <ul style="list-style-type: none"> ▪ Serve on at least one external board or committee; or ▪ Conduct at least one presentation at conference or similar event; or ▪ Write an article. | From Schedule |
| 30% | Subtotal | Qualitative Measures | |
| 100% | Total | Quantitative and Qualitative Measures | |